

**MINUTES OF THE FLORENCE TOWN COUNCIL MEETING HELD TUESDAY,
JANUARY 22, 2008 AT 7:00 P.M. IN THE CHAMBERS OF TOWN HALL, LOCATED
AT 775 N. MAIN STREET, FLORENCE, ARIZONA.**

REGULAR MEETING AGENDA

Mayor Rankin called the meeting to order at 7:09 p.m.

Council Present: Rankin, Smith, Woolridge, Celaya, Kilvinger, Sanders
Council Absent: Raasch

PLEDGE OF ALLEGIANCE

Councilmember Kilvinger led the Pledge of Allegiance.

CALL TO THE PUBLIC/COUNCIL RESPONSE

Call to the Public for Public Comment on issues within the jurisdiction of the Town Council. Individual Councilmembers may respond to criticism made by those commenting, may ask staff to review a matter raised or may ask that a matter be put on a future agenda.

Mr. Peter Villaverde expressed concern regarding the Town's CDBG process. He received an email regarding the availability of CDBG monies. Through the website, he found that one advertisement was placed in the Florence Reminder and Blade Tribune on November 29, 2007. The ad was for CDBG State Special Projects (SSP) for low to moderate-income persons. It is an outreach program, which should be an even-playing field for the general population. The Town must go the extra mile to inform the public, such as having several meetings or doing mailings; specifically, because many of those who are low and moderate-income persons do not have email, nor do they attend meetings. He felt that one ad placed in the newspaper is not sufficient and staff did not go the extra mile. An email was sent out to specific individuals with interest in CDBG monies. If this were an instance with no funding, the IDA would have no problem dedicating money for mailings to churches or non-profit civic groups to notify them of the availability of CDBG monies. The web site also gave an opportunity to submit any concern to the regional office; which he did. He also found where the Town was able to spend \$400,000, and per Section 108, the Town would be able to borrow from HUD five times the amount designated to the Town at a guaranteed low interest loan for 20 years. This would equate to two million dollars. The two million dollars could be matched with a grant, which would then be four million dollars. He feels the 108 program is worth looking into. He would like the Town to offer low interest loan grants to the merchants and those within the district. There may also be funding available through FHA. He would like Council to consider a 70/30 split for the CDBG monies; with 70 percent to the downtown Main Street and 30 percent to home rehab. It would also be good to satisfy the needs of the basic public who do not have heating and cooling. He is concerned about the process, but not the idea.

PUBLIC HEARINGS

Public Hearing on possible uses of Arizona Department of Housing Community Development Block Grant, 2008 Grant Cycle.

Mr. Ken Lawrence stated that the Town is eligible to receive up to \$400,000 in CDBG eligible projects. The Council adopted the Public Participation Plan on November 19, 2007. The plan states that it must have two public hearings to obtain citizen input as to possible projects, and one public meeting to decide on which projects to proceed with through a resolution and application process. This plan meets the public participation requirement as set forth by HUD. The first public hearing was held on 12/19/2007 and the second is at this Council Meeting (1/22/08). He stated that the total funding statewide is eleven million dollars. CAAG's portion is \$2,326,526; SSP is \$1,279,976, which results in Florence's portion being \$400,000. Florence will receive double funding due to the IGA with Winkelman; which states that they will alternate years to receive each other's funding. This is the Town of Florence's year to receive funding. Grant activities must meet one of three objects, which are low-to-mod, slum and blight, or urgent need. The most recent funding received was used for the Brunenkamp Building and Heritage Park. There is a complaint procedure, which was made known in the participation plan as well as the first public hearing. The procedure requires the individual to submit the complaint within fifteen days to the Town Clerk. The only complaint received to date is that of Mr. Villaverde.

Vice-Mayor Smith asked if any complaints have been filed with the Clerk's Office prior to the email.

Ms. Lisa Garcia, Town Clerk, states that none have been received.

Councilmember Celaya asked Mr. Lawrence if he was aware of the information in regards to the increase in the grant that Mr. Villaverde referred to.

Mr. Lawrence was not aware of the information.

Councilmember Kilvinger asked if the Women's Club had applied for any of the available funds because they have serious problems with the roof.

Mr. Lawrence stated that they have not submitted any requests. The technical assistance portion of the grant has closed but it can be considered as a possible project.

Himanshu Patel, Town Manager, stated that citizens or non-profits could provide input until such time that the Council will be making a decision on projects in March. It can be considered as a possible project, but cannot guarantee funding.

Mr. Lawrence stated that they can provide a form, but they are unable to provide technical assistance.

Councilmember Kilvinger was not aware that the CDBG grants were available to non-profits. She was under the impression that it could only be used for home repair to those of low to moderate income.

Councilmember Celaya requested staff complete a more aggressive marketing approach when advertising the CDBG public participation process.

Mr. Patel stated that the Town could be more aggressive in advertising. The Town did follow the required criteria as set forth by HUD. An additional public hearing is being done.

Mayor Rankin asked if Mr. Patel was familiar with the process that Mr. Villaverde referred to increasing the funding and if it is something that can be explored.

Mr. Himanshu Patel stated that the Town can further explore this opportunity. It has always been staff's intent to maximize the funds. It is not uncommon for the Town to leverage funds to gain additional funds. Staff will report to Council the options of what can be done during this grant cycle and future cycles.

Mayor Rankin opened the Public Hearing.

Ms. Jennifer Evans, Manager of the Main Street Program, requested the funds be used for the downtown commercial rehabilitation program for the downtown area that has been designated as slum and blight. The current vacancy rate is 50 – 60 percent on Main Street. Using the funds would reduce the amount of risk for opening and operating a business on Main Street.

Ms. Heather Patel, Main Street Program, stated that she agrees with Ms. Evans and hopes the funds go toward the commercial use of downtown.

Vice-Mayor Smith asked if it is for individual businesses or a blanket deal.

Mr. Patel stated that Council has designated the Redevelopment area from the intersection of Highway 287 and 79 to Town Hall, and has designated it as slum and blight. You could incorporate guidelines that were approved by Council that regulates the dollar value that is invested per property. The investments are normally in a forgivable loan program similar to the housing rehab program. There have not been any program guidelines developed, but the Town will look at other communities who have guidelines in place as examples, should this be the avenue Council chooses to take. The type of funding would be for ADA Compliance, and deficiencies in the buildings.

Mayor Rankin closed the public hearing.

ADJOURNMENT TO THE BOARD OF ADJUSTMENTS

On motion of Councilmember Celaya, seconded by Councilmember Saunders and carried to adjourn to the Board of Adjustments.

Continuation of Public Hearing on an application for a front yard setback variance on lot 1049 of Florence Gardens, Unit D at 816 E. Pennsylvania Avenue, to reduce the front yard setback from the minimum required ten-foot to a zero-foot front yard setback with an additional two-foot encroachment into the adjacent Town right-of-way (Continued from the December 3, 2007 Council Meeting).

Mr. James Mannato, Town Attorney, informed Council that the applicant has requested the item to be tabled pending the survey.

Mr. Art Buckley stated that the survey has been done, but he has to go back to the title company. He was having trouble closing the survey. It appears that the centerline of the road is two feet off. The north line of the property is two feet off. They will have the survey this week.

Mr. Patel stated if they receive the survey this week, it can be reviewed prior to the next meeting.

On motion of Boardmember Celaya, seconded by Boardmember Sanders and carried to continue the Public Hearing and Action item on the application for a front yard variance to the first meeting in February.

Discussion/Approval/Disapproval of an application for a front yard setback variance on the property located on lot 1049 of Florence Gardens, Unit D at 816 E. Pennsylvania Avenue, Florence, Arizona 85232 (Continued from the December 3, 2007 Council Meeting).

On motion of Boardmember Celaya, seconded by Boardmember Sanders and carried to continue the Public Hearing and Action item on the application for a front yard variance to the first meeting in February.

ADJOURNMENT FROM THE BOARD OF ADJUSTMENTS

On motion of Boardmember Saunders, seconded by Boardmember Kilvinger and carried to adjourn from the Board of Adjustments.

NEW BUSINESS

Ordinance No. 478-08:

Himanshu Patel, Town Manager, read Ordinance No. 478-08 by title only.

AN ORDINANCE EXTENDING AND INCREASING THE CORPORATE LIMITS OF THE TOWN OF FLORENCE, COUNTY OF PINAL, STATE OF ARIZONA, PURSUANT TO THE PROVISIONS OF TITLE 9, CHAPTER 4, ARTICLE 7, ARIZONA REVISED

STATUTES AND AMENDMENTS THERETO, BY ANNEXING THERETO CERTAIN TERRITORY CONTIGUOUS TO THE EXISTING TOWN LIMITS OF THE TOWN OF FLORENCE. APS ANNEXATION, NO. 2007-02.

Mr. Mark Eckhoff, Planning Director, stated that this annexation encompasses the APS Sub-Station, which is on Hiscox Road, south of 287. There is a small parcel of land that is included in this annexation as well. The Town has received both required signatures.

Discussion/Approval/Disapproval of entering into an Intergovernmental Agreement with Arizona Department of Revenue regarding taxpayer joint audits and the uniform method of administration, collection, and audit and licensing of transaction privilege tax, use tax, severance tax, jet fuel excise and use tax and rental occupancy taxes imposed by the State or Town.

On motion of Councilmember Woolridge, seconded by Vice-Mayor Smith and carried to enter into an intergovernmental agreement with the Arizona Department of Revenue.

Discussion/Approval/Disapproval of entering into an Intergovernmental Agreement with Pinal County to share costs of the site development study regarding the Giles Property municipal and county facilities development.

Mr. Jess Knudson, Assistant to the Manager, stated that this agreement would allow the Town of Florence to enter into an agreement with Pinal County for the possible development of the Giles Property as a multi-governmental complex. Since this plan has been developed, the County states that they are in need to construct facilities for future use. The Town and the County have discussed joint locations and sharing costs associated with the project. The County has shown interest, and is looking for 35-40 acres to develop for their facilities. Town Staff liked the concept because it generates foot traffic in the downtown and will help lower the Town's project cost. The County has acquired the services of Stantec to identify what it would take to take the property out of the flood plain and mitigate any type of flood hazards that can occur in the future as well as other services. The County has passed the IGA and agreed to pay for 50% of the services. The total cost of the study is \$183,438. Each entity will pay \$91,719. If approved, both entities will pay an additional \$6,600 fee each, at a later time.

Vice-Mayor Smith asks when the Town will be moving forward on this project.

Mr. Knudson stated that County would like to be in the Administration Building in 2011 to accommodate the new five member Board in 2012. The Town's project is expected to cost more than one hundred million dollars. Preliminary conversation between the Town and the Motor Vehicle Division has been positive and MVD has indicated an interest in locating a future facility at this site.

Mr. Patel stated that the Capital Improvement Program has money set aside for this type of project. The Town has designated any fund reserve from previous years be accumulated in the capital reserve.

The study has been commissioned by the County and is ongoing. It will be complete by April 2008.

Mayor Rankin stated the Gila Roadway has always been in the plan. London Holdings own the property to the east of Town Hall. The roadway will improve those properties, which are already zoned for commercial, and housing. Any building that will come to the new facility will allow the buildings on Main Street to return to the retail market and it will help the downtown corridor.

Councilmember Kilvinger thought that it was a great plan. She was on the Council when they acquired the property. The County is aware of what it takes to mitigate flood issues. She hopes it works. She states that Florence is the County Seat and she hopes that the Town investigates the program.

Vice-Mayor Smith questioned how we are working with the County and/or the State. He questions if the Town is giving them the property.

Mr. Patel stated that the Town is not ready to negotiate. The only thing staff has discussed with the County is the need to further discuss the viability to develop a master plan for the property and an agreement for the study for the best use of the property.

Vice-Mayor Smith asks about next fiscal year budget and the impact of spending the \$91,719.

Mr. Patel states that certain positions have been put on hold. Department heads have been asked to be very conservative. The Town projects the budget will come in under-budget. The concern will be state shared revenues. These dollars are capital improvement dollars and not general fund. The Town has been taking a proactive approach in being conservative in the operations and expenditures. Non-emergency personnel positions have been placed on hold.

Councilmember Celaya states that the Town will be paying half price for a survey that they would have to pay full price for in the future.

On motion of Councilmember Woolridge, seconded by Councilmember Sanders and carried to approve the Intergovernmental Agreement with Pinal County to share costs of the site development study regarding the Giles Property municipal and county facilities development.

Acceptance of the register of demands ending on December 31, 2007 in the amount of \$2,088,201.89.

On motion of Councilmember Sanders, seconded by Councilmember Woolridge and carried to accept the register of demands ending December 31, 2007.

Discussion/Approval/Disapproval of removing Peter VillaVerde from the Board of Directors of the Industrial Development Authority.

Mayor Rankin stated that he placed this item on the agenda because Mr. Villaverde filed a complaint with HUD without first communicating with Town staff. He felt that as an IDA member, Mr. Villaverde should have discussed his concern with staff first, and if he was not satisfied at that point, then he had every right to file a complaint with HUD. Mr. Villaverde did not file a complaint as IDA Board Member, however he feels the implication is there.

Councilmember Celaya stated that Mr. Villaverde did not address the complaint as an IDA leader and he feels citizens should be able to voice their concerns regarding actions that Council takes.

Councilmember Kilvinger stated that she was on the IDA and has seen where feuding has held back some of the steps that the IDA could have made in moving forward on some projects such as getting a hospital in Town. There may have been problems with some of the buildings promised; however, there was a problem with the market. Individuals should be held accountable for that. Those involved with the IDA have always tried to do their best. They are giving money to the Town and are trying to help the merchants. She feels that she should be able to write a letter on her own behalf even though she is on the Council. She believes it is a freedom to be able to voice one's concern.

Councilmember Sanders stated that the email states that the methods used by the Mayor and Council and Staff were not done correctly. The Town followed what the law dictates. He would have hoped that Mr. Villaverde would have checked with the Town first. His email implied the Council is biased and has already decided where the CDBG monies are to be used, which is incorrect. He agrees that Mr. Villaverde has a right to his opinion, but that everyone should work together. He believes everyone is trying to do what is best for the Town of Florence and should work together. Vice-Mayor Smith and Councilmember Woolridge concurred with Councilmember Sanders.

Mr. Patel stated that on Sunday January 6th Mr. Villaverde emailed HUD. On January 10th, a HUD Representative forwarded the email to Dept of Housing, who in turn, forwarded the email to Mr. Ken Lawrence. Mr. Lawrence forwarded the email to the Town Manager who stated in his email that he will respond under official capacity to both HUD and Department of Housing in which he will forward all pertinent information that insures that the Town followed all appropriate steps and are in compliance. He has emailed all individuals involved. He does acknowledge that emails were sent to non-profits inviting them to the public meetings for public input. He met with Mr. Villaverde on January 17th in which Mr. Villaverde indicated his primary concern is how the CDBG money can be used, and the best ways it can be leveraged to receive more funding. He feels that Town could have done a better job in notifying the public. His concern is that there has been much talk about downtown commercial rehab and there has been no discussion pertaining to housing rehab. Mr. Villaverde further stated that there are many people who have relayed to him their needs for housing rehab services. Mr. Patel has asked Mr. Villaverde to encourage those individuals to come to the public hearings

and provide input to Council or to provide something in writing encouraging the Council to choose that particular project.

Councilmember Sanders is concerned that we may lose the CDBG Grant.

Mr. Patel stated that staff feels very confident that the procedure was properly followed and are not at risk of losing the grant.

Councilmember Kilvinger feels that there were inappropriate comments in the email, and she feels that Mr. Villaverde acted unethical in making those comments; however, she does not feel if a person feels something is done wrong it would be inappropriate to file a complaint. She would hope that it would be brought to the appropriate person's attention for resolution.

On motion of Councilmember Woolridge, seconded by Councilmember Celaya and carried to disapprove the removal.

DEPARTMENT REPORTS

Manager's Report

Department Reports

Finance

Fire

Library

Planning

Police

Received and filed.

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There was no comment.

CALL TO THE COUNCIL

Mayor Rankin reminded everyone of the MS Roundup Ride, which is a fundraising event that will be March 28th – 30th. The Town is very active with this event. There will be approximately 1000 bicyclists in Town for this three-day event. He is asking that everyone use caution, as they will be riding in and out of Town that weekend.

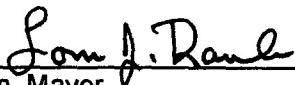
Residents can now sign up on the website to receive emails from the Town or receive copy of agendas and other information.

Mayor Rankin re-appointed Dr. Riley as Chairman of the Redevelopment Commission and Ms. Sharon Speck as Vice-Chair.

Mayor Rankin stated that a letter was submitted to the local paper by Mr. Celaya questioning how the Council votes and referencing projects that the IDA has done. The Council's voting record indicates that they are a very independent minded Council. Mayor Rankin stated that he appreciates the work that the IDA has done over the years; however, the letter pertained to 20-years ago projects, nothing in the future, and nothing in the near past.


ADJOURNMENT

Mayor Rankin adjourned the meeting at 9:09 p.m.



Tom J. Rankin, Mayor

ATTEST:



Lisa Garcia, Town Clerk

I certify that the following is a true and correct copy of the minutes of the Florence Town Council Meeting held on January 22, 2008, and that the meeting was duly called to order and that a quorum was present.



Lisa Garcia, Town Clerk